



April 10, 2013

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### **Rep. Gary Miller to Introduce Credit Union Regulatory Relief Legislation**

Washington, D.C. - Rep. Gary Miller, Vice Chairman of the House Financial Services Committee, announced plans at today's Financial Institutions Subcommittee hearing to introduce legislation to address the increased regulatory burden that is hampering the ability of credit unions to best serve their local communities.

After the hearing, Rep. Miller issued the following statement:

“The financial crisis has had a devastating economic impact on my constituents and countless communities across Southern California. While I fully support effective federal regulation in the financial services sector, it is clear that credit unions did not contribute to the financial crisis. Accordingly, they shouldn't find themselves caught up in and threatened by a wave of regulation aimed at those that did.

Instead of focusing on access to credit and other basic financial services, credit unions now have over five thousand pages of rules they must comply with from the Consumer Financial Protection Bureau alone. This mounting regulatory burden hits credit unions particularly hard as they often lack the resources and personnel that larger financial institutions may enjoy.

Credit unions play a unique role in our economy. Unlike other financial institutions, they are cooperatives and exist to serve their member-owners, not outside stockholders. This allows them to provide lower loan rates, higher interest on deposits, and lower fees. Hampering their ability to perform these services and to provide loans to families and small businesses will harm millions of American consumers and stifle economic growth and job creation.

That's why I am drafting legislation that will help ease the regulatory burden on credit unions while ensuring that the consumer protection-driven intent behind the regulations is maintained. I look forward to working with my colleagues on the Committee and in Congress to ensure that the regulatory environment for our nation's credit unions and other financial institutions promotes safe and sound banking practices without stifling innovation and consumer choice.”

If enacted, Rep. Miller's regulatory relief legislation will:

- Enable the credit union's prudential regulator, the National Credit Union Administration (NCUA) to step in where appropriate and modify a Consumer Financial Protection Bureau (CFPB) rule so long as the modified rule still meets the objective of the CFPB;
- Authorize a risk-based capital system for credit unions that more accurately reflects a credit union's risk profile;

- Require that the CFPB and NCUA look-back on their cost-benefit analyses after three years to ensure regulators have a true sense about the cost of compliance for a new rule;
- Modernize the Credit Union Central Liquidity Facility; and
- Update investment options for credit unions so that they can better manage their portfolios and risk.

Bob Burrow, President and CEO of Bayer Heritage FCU, who testified at today's subcommittee hearing said, "As the CEO of a small credit union with about 30,000 members I can attest to the need for the commonsense regulatory relief that the legislation Vice Chairman Miller intends to introduce calls for. Enhanced coordination between the CFPB and other regulators, and giving the NCUA the ability to implement a risk based capital system for credit unions will go a long way toward ensuring we can focus on maintaining the flow of capital to our members and local community."

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